

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

I. Basic Information

Date prepared/updated: 03/18/2010

Report No.: AC5243

1. Basic Project Data

Country: Indonesia	Project ID: P121234	
Project Name: Infrastructure Reconstruction Financing Facility - Additional Financing		
Task Team Leader: Suhail J. S. Jme'An		
Estimated Appraisal Date: February 4, 2010	Estimated Board Date: January 31, 2007	
Managing Unit: EASIS	Lending Instrument: Specific Investment Loan	
Sector: Roads and highways (90%);General water, sanitation and flood protection sector (10%)		
Theme: Other urban development (100%)		
SPF Amount (US\$m):	0.00	
GEF Amount (US\$m.):	0.00	
PCF Amount (US\$m.):	0.00	
Other financing amounts by source:		
Borrower	0.00	
<u>Indonesia - Multi-donor TF for Aceh and North Sumatra</u>	<u>36.70</u>	
	36.70	
Environmental Category: A - Full Assessment		
Simplified Processing	Simple <input type="checkbox"/>	Repeater <input type="checkbox"/>
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

2. Project Objectives

The objective of the Infrastructure Reconstruction Financing Facility (IRFF) is to assist the province of Aceh and 12 local governments in Aceh and Nias to reconstruct/rehabilitate strategic infrastructure and extend key infrastructure services of adequate quality standards that meet the needs of communities where infrastructure was damaged by the tsunami of 2004 and the subsequent earthquake. This objective will remain the same for the IRFF-AF.

3. Project Description

In principle, the existing implementation arrangements would be adopted to implement the proposed IRFF-AF. The Ministry of Public Works would assume the implementation of the IRFF-AF through a well staffed PMU. The PMU would interface with the appropriate authorities at both the national and provincial levels to ensure the smooth implementation of the project. The PMU is expected to hire the required consultancy services needed to assist in the implementation and is expected to benefit from the services of the existing consultants under the IREP project as an interim arrangement until they select other consultants as deemed necessary.

The overall responsibility for implementation and program management of the proposed IRFF AF project would be held at national level by the Ministry of Public Works (MoPW) through the Directorate General of Highways #Bina Marga# which is the responsible body for the construction and development of national roads. A PMU will be staffed by the Bina Marga to oversee the implementation of the project at the national level while a Project Implementation Unit (PIU) will be located in Aceh to be responsible for day to day implementation. The Regional Office of National Road 1 in Medan which is under the Directorate General of Highways and covering regions of Aceh, North Sumatra, Jambi and Riau provinces would be entrusted to closely coordinate with the Governor of Aceh Office during the implementation and has undertaken to hire the required consultancy services needed to assist in the implementation of the project including construction supervision and quality assurance, and would be expected to benefit from the services of one of the existing consultants under the IREP program on the detailed design reviews. The proposed IRFF-AF will provide financing for the same components or activities as those financed under the IRFF, but the scope of activities will be more limited, i.e. only one segment of 49 km road rehabilitation and one bridge reconstruction and support for project management.

Component 1: Financing of Infrastructure Reconstruction and Rehabilitation

This component includes the financing of infrastructure reconstruction and rehabilitation sub-projects in 12 local governments and strategic investments in the provincial government, including civil works and installed equipment in subprojects in the following sectors: roads, ports, water and sanitation, drainage, flood control, coastal protection, and restoration of major irrigation canals.

Under the proposed IRFF-AF, additional funding of US\$ 33.8 million would be allocated to finance the reconstruction of a section of the Calang to Meulaboh National Road (West Coast Road) from Km. 198 to Km. 248 including the Kuala Bubon Bridge. The road would be completed along the existing alignment using the existing right of way, to Indonesia national roads standards, including stabilization of the shoulders and provisions for road safety and traffic management. In addition, specific attention would be given to ensure adequate cross and longitudinal drainage, and ecosystem restoration as appropriate. Enhancements to the Kuala Bubon bridge engineering works would include comprehensive river training works to improve stability of the river embankments and ecosystems, replanting mangroves and upland reforestation along the alignment to reduce flooding and siltation, thus improving the environment quality along the alignment.

Component 2: Targeted Support to Infrastructure Subproject Planning, Design, Supervision, and Implementation Oversight

This component of IRFF was originally planned to provide technical assistance (TA) (i) to Aceh Besar, Banda Aceh and Sabang, that were receiving TA from existing consulting arrangements for subproject identification and design (till January 2007), for the period January 2007 to January 2010 (US\$2 million). The component aims at strengthening the ability of the Aceh Besar, Banda Aceh and Sabang local governments to improve the

provision of infrastructure in their respective jurisdictions by providing technical experts to assist them in planning and subproject identification, subproject design, tender documents, procurement, safeguards compliance, implementation, construction supervision, and monitoring; (ii) to support performance and financial audit (over and above external audit) of the project financial statements (US\$0.6 million); and (iii) to provide technical assistance for transition to a post-BRR timeframe and institutional arrangements beyond June 2009, including extension of TA provided under IREP, and capacity building and infrastructure asset maintenance programs for local and provincial governments (US\$0.4 million). However, the aforementioned activities were performed under the IREP rather than IRFF and thus releasing the allocated budget of US\$ 3.0 million to infrastructure sub-projects.

Under the proposed IRFF-AF, in order to ensure the successful implementation of IRFF-AF, additional funding of US\$ 2.7 million would be allocated for targeted implementation support. This would finance the requirements of program management and construction supervision.

4. Project Location and salient physical characteristics relevant to the safeguard analysis

From a physical environmental perspective, the IRFF had covered all tsunami and earthquake affected areas in Aceh and Nias with a specific focus on Banda Aceh, the west coast (including Meulaboh and Calang) and built up areas in Nias. These areas have been severely damaged both in terms of marine and terrestrial environments. In many places coastlines have been physically altered, particularly the inter-tidal zones. Shallow coral reefs have been affected resulting from the large amounts of solid waste, silts and clays generated by the waves. Mud laden residues have infiltrated both man-made and natural water sources, and blocked drainage lines. Many of the heavy clay soils that predominate in the coastal region have been inundated with salt water. With the loss of sea defenses previously built up areas have been reclaimed by the tides leading to coastal inundation and the recreation of marshy areas juxtaposed with human settlement.

Under the IRFF-AF, the West Coast part of the road to be improved and the bridge to be reconstructed are crossing various water bodies. The road segment of about 49 km length need to be improved and in many sub-sections need to be widened from 4 or 5 m to 6 m, with provisions to ensure enough cross drainage to mitigate for the flooding and enable free flourishing of the ecosystem. Similar provisions are required to restore the environment at the wetland around the proposed Bubon bridge. As most of road widening and improvement will take place within the existing right of way, land acquisition is expected to be insignificant.

5. Environmental and Social Safeguards Specialists

Ms Indira Dharmapatni (EASIS)

Mr Andrew Daniel Sembel (EASIS)

6. Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)	X	
Natural Habitats (OP/BP 4.04)		X
Forests (OP/BP 4.36)		X
Pest Management (OP 4.09)		X
Physical Cultural Resources (OP/BP 4.11)		X
Indigenous Peoples (OP/BP 4.10)		X
Involuntary Resettlement (OP/BP 4.12)	X	
Safety of Dams (OP/BP 4.37)		X
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts: Under the original IRFF, the likely scale of individual sub-projects was small to medium-scale, in most cases did not trigger the need for full AMDAL/EIA under GoI environmental regulations. However, any sub-project that would lead to significant environmental and social impacts had been screened out early on during the planning projects through eligibility criteria that was developed and applied by the BRR. Sub-projects would not be deemed eligible if they likely to: (i) significantly impact on environmentally or culturally sensitive sites; (ii) result in inter-basin transfer of water resources; significantly alter coastal zone morphology and processes; (iii) result in large scale land-clearance; (iv) use or emit toxic and/or hazardous wastes; or (v) result in large-scale land acquisition/resettlement.

Additional sub-projects funded under the proposed IRFF-AF are of the same type and scope of the sub-projects executed under the original IRFF. The IRFF-AF will finance road improvement and widening on the existing road alignment and right of way. The location of the Kubon bridge will be on the same site as the damaged bridge. The environmental and social management framework that was used for, and worked well in, the original project, will be used for the AF sub-projects; the same procedures and instruments will be used. As a further enhancement, a construction environmental action plan (CEAP) will be used for each civil works contract to address environmental and social impacts as they arise before and during construction. At the AF appraisal one EMP had been completed. Potential land acquisition along 0.9 km (out of 49 km) for road widening and intersection has been identified. Few buildings and some land acquisition will have to be acquired. In addition, two shops nearby the Kubon bridge need to be moved back from the current road#s right of way.

The IRFF is environmentally category A project. The IRFF-AF will remain category A project, but the potential environmental and social impacts of the proposed sub-projects would fall under category B. There will be no significant potential negative

environmental and social impacts or irreversible impacts. The original project's environmental and social safeguards framework will be adopted by the IRFF-AF.

Similar to the IRFF, safeguard policies triggered by the proposed IRFF-AF project include environmental assessment and involuntary resettlement. The IRFF triggers the IP policy as it covers all Aceh province and Nias whereby IP are living in Nias and in some areas in upland of Aceh province. Field visit confirmed that the proposed sub-project to be financed by the IRFF-AF will not affect IP, and therefore the proposed IRFF-AF does not trigger the IP policy. However, the proposed sub-projects may affect vulnerable peoples such as women and the disadvantaged. In the case that a sub-project affects the vulnerable and the disadvantaged, the IRFF-AF will carry out full consultation during sub-project preparation and implementation. The IRFF-AF's sub-projects will use the same social and environmental frameworks that have been adopted by the original IRFF, except that in lieu of BRR, the sub-projects will be implemented by DG Highways #Bina Marga# with the close involvement of the provincial public works agency.

The IRFF has been satisfactorily implemented the environmental and social safeguard frameworks. Project screening and instruments to manage potential negative environmental and social impacts were prepared during sub-projects preparation. Recommendations of the AMDALs and/or UKLs/UPLs were implemented through the contractors' contract, i.e., a CEAP (Construction Environmental Action Plan), whereby special budget were allocated for environmental and social management activities. For sub-projects requiring land, LARAPs were prepared and compensation were paid prior to construction. Designs of sub-projects were prepared to minimize potential environmental and social impacts, including land acquisition. In the case land was to be acquired during sub-project implementation (not anticipated during sub-project preparation), corrective actions were taken by adjusting the design and/or by respective local governments. Only one complaint from a PAP was reported in the project, and this was addressed by the BRR, provincial government and respective local government. The roles of the provincial and regional project management consultant teams under the oversight and management of the BRR had been very important in ensuring that safeguards instruments were prepared in timely manner, and meeting the project's requirement, and monitoring of their implementation were carried out.

The above approaches/practices experienced by the IRFF will be continued to be adopted by the IRFF-AF. The PMU of the DG Highways Bina Marga and the Aceh Provincial Public Works Agency will be responsible in ensuring that environmental and social safeguards frameworks of the IRFF are adopted consistently. The PMU's quality assurance and safeguards specialists will be based in the province and will assist the project to implement the frameworks. The recommendations of the UKL/UPL (EMP) will be incorporated in the CEAP as part of the contractors' contracts. A LARAP will be prepared by the local government of Kabupaten Aceh Barat simultaneously with the preparation of the DED (detailed engineering design) to minimize land acquisition and to identify the needs of land acquired upfront. Funding for compensation will be provided by the provincial government and implemented by the local government of Aceh Barat.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

Similar to the original IRFF, the long term and/or indirect potential impacts from the IRFF-AF sub-projects will place increasing pressure on locally available natural resources required for the reconstruction process (sand, gravel, quarry material), placing fragile and stressed environments under increasing pressure. Related potential impacts include inflationary effects on construction materials limiting access to these resources among the poorest, physical environmental effects on river hydrology, slope stability and coastal geomorphology, and continued destruction of sensitive coastal natural habitats. Further indirect potential impacts could include increased friction with local communities caused by continuing influx of local migrant labor and foreigners. On the positive side, the effects of 5-10 years of reconstruction will result in high year on year growth in the local economy leading to increased opportunities to convert surplus cash and assets into viable new livelihood activities; and restoration and improvement of the environment

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Under the IRFF-AF, alternative horizontal and vertical alignments and geometry (length and height) # in the case of the Kuala Bubon bridge # have been and will be considered and evaluated during the Review of the detailed engineering design (DED) of the sub-projects.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The PMU of the project (positioned in the DG Highway #Bina Marga # of the MoPW) whose staff used to work for BRR and handled the IREP/IRFF, and the Aceh province government have many experiences in environmental management and in addressing social issues particularly land acquisition during the reconstruction period of Aceh. In particular, the staff of the PMU and also the Bina Marga, are familiar and well experienced with Bank's safeguards policies. The provincial Bapedalda has abundance experiences in handling environmental issues during the reconstruction period, but capacity needs to be continuously improved. The PMU will strengthen its capacity through hiring safeguards specialists for the IRFF-AF to assist them as well as the local governments in implementing and monitoring the implementation of the project's safeguards frameworks.

It should be noted that respective local governments whereby the proposed road and bridge are located, have limited capacity in implementing the safeguard frameworks despite of their experiences during the reconstruction period of 2005-2009. The project will provide assistance to the local governments during project preparation and implementation ensuring that the safeguards frameworks and instruments are implemented. Preparation of the LARAP will be carried out by the local government of Aceh Barat with the assistance and facilitation by the PMU's consultant team. The approaches and instruments adopted in the IRFF will be adopted by the IRFF-AF. The project management staff (PMU, Public Works Agency of Aceh Province, management consultant team), who mostly had experiences in IRFF, will ensure that these are

implemented and monitored. Commitment of the PMU, Aceh province and respective local governments in implementing the safeguards instruments are strong. Budget for addressing potential negative environmental and social impacts will be provided by the IRFF-AF as part of the contractors' contract, and budget for land acquisition will be allocated in the Aceh province budget 2010.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. The IRFF's ultimate beneficiaries are the people of Aceh and Nias who will directly benefit from the economic effects of the rehabilitation of critical district and province level infrastructure. More directly the project will be providing support to district level planning and infrastructure authorities (Bappeda and Dinas Bina Marga), helping to ensure that the speed of reconstruction is increased and that an appropriate system of prioritization is applied. The BRR and later the MoPW supported by the IPM team have ensure broad consultation and public outreach during infrastructure planning and preparation phases, and help to develop and instill these approaches within the MoPW and respective local governments. For the IRFF-AF, the IPM functions will be carried out through a team of individual consultants which will include, among other specialties, environmental, social and quality assurance specialists. The ToRs for the contract of the IPM team elaborate on this important task and ensure that sufficient technical capacity is included and financial resources allocated to assist and facilitate the PMU and Bina Marga Agency of the Aceh province in implementing the environmental and social safeguards frameworks and instruments. The social and environmental frameworks of the IRFF were published in the Bank's Project Information Center in Jakarta and Infoshop, and also have been published in the BRR website. Individual investments resulting from the TA requiring LARAP, UKL or AMDAL will, in any case, follow required GoI and WB consultation and disclosure procedures.

For the IRFF-AF, the main stakeholders will be the central and provincial highways departments, and the direct beneficiaries will be the people who live alongside, and in the corridor of, the improved road sections. Under the CEAP, the contractor will conduct a socialization and consultation with these beneficiaries. the IPM functions will be carried out through a team of individual consultants which will include, among other specialties; environmental, social and quality assurance specialists. This team would support the PMU and Bina Marga Agency of the Aceh province in implementing the environmental and social safeguards frameworks and instruments

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	11/30/2006
Date of "in-country" disclosure	11/30/2006
Date of submission to InfoShop	11/16/2006
For category A projects, date of distributing the Executive	

Summary of the EA to the Executive Directors

Resettlement Action Plan/Framework/Policy Process:

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	11/30/2006
Date of "in-country" disclosure	11/30/2006
Date of submission to InfoShop	11/16/2006

Indigenous Peoples Plan/Planning Framework:

Was the document disclosed prior to appraisal?	
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	

Pest Management Plan:

Was the document disclosed prior to appraisal?	
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	

*** If the project triggers the Pest Management and/or Physical Cultural Resources, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.**

If in-country disclosure of any of the above documents is not expected, please explain why:

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?	Yes
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	No
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	No

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's InfoShop?	Yes
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities	Yes
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been prepared for the implementation of measures related to safeguard policies?

Have costs related to safeguard policy measures been included in the project cost? Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? Yes

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Mr Suhail J. S. Jme'An	03/15/2010
Environmental Specialist:	Mr Andrew Daniel Sembel	03/15/2010
Social Development Specialist Additional Environmental and/or Social Development Specialist(s):	Ms Indira Dharmapatni	03/15/2010
<i>Approved by:</i>		
Sector Manager:	Ms Sonia Hammam	03/18/2010
Comments:		